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ABSTRACT

This report describes the status of State and federal financial assistance available to students enrolled in postsecondary institutions located in New York State during the two academic years, 1987-88 and 1988-89. The introduction contains a brief overview of State and federal student assistance programs and highlights recent developments in those programs. The next four sections of the report describe major programs in terms of their dollar volume, the size and characteristics of the student populations they serve, and the institutional sectors they serve. Specifically, part 2 provides a summary of all State and federal programs; Part 3 focuses on the State's Tuition Assistance Program; Part 4 examines the federal Pell Grant Program; and Part 5 analyzes the federal loan programs. Appendix A shows definitions and sources of data used in this report, Appendix B contains an annotated bibliography of recent references on the topic of student financial assistance in New York, and Appendix C contains tables displaying important features of the major aid programs in the State. (GLR)

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A REPORT BY THE BOARD OF REGENTS TO THE GOVERNOR AND LEGISLATURE

ON STATE STUDENT FINANCIAL AID PROGRAMS

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The University of the State of New York
The State Education Department
Albany, New York 12230

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ON STATE STUDENT FINANCIAL AID PROGRAMS

The University of the State of New York
The State Education Department
Albany, New York 12230
1989

THE UNIVERSITY OF THE STATE OF NEW YORK

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RECOMMENDATIONS OF THE REGENTS

With recent enhancements to the Tuition Assistance Program and the establishment of the Liberty Scholarship program, New York enters the next decade with an unparalleled commitment to reducing financial barriers to postsecondary education for all its residents. Within this framework, the Regents urge the Governor and the Legislature to support their 1990 legislative proposals and other recommendations to strengthen and extend student financial assistance programs in New York.

Legislative Proposals

To increase the efficiency and effectiveness of existing State programs, the Regents make the following proposals:

Review of Institutions' Academic Policies Affecting Students' Eligibility for TAP Awards. Fund the Education Department to review institutional policies and practices affecting students' TAP eligibility in order to reduce non-compliance that is costly to the State.

Special Program Students. Require special opportunity program students, including those in EOP, HEOP, SEEK and CD, to apply annually for TAP Awards and Pell Grants and increase the number of HEOP students.

Tuition Assistance Program for Graduate Students. Expand the number of graduate students eligible for TAP Awards and increase the size of the awards.

Aid for Part-Time Study Program. Reduce barriers to eligibility for needy part-time undergraduates.

To improve the supply of labor needed by the State, additional proposals are made:

Doctoral Fellowships and Assistantships. Establish a program of fellowships to promote doctoral study in the fields of engineering, mathematics and the physical sciences, especially among members of groups historically underrepresented in those fields, and a program of teaching assistantships in engineering.

Academic Career Opportunity Fellowships. Establish a program of Academic Career Opportunity Fellowships to support doctoral study among women and members of groups that have been historically underrepresented on college and university faculties.

Loan Forgiveness Program for Minority and Women College Faculty. Establish a program of loan forgiveness to encourage historically underrepresented minorities and women to take full-time faculty positions at colleges and universities in New York State.

Loan Forgiveness Program for Teachers. Establish a program of loan forgiveness to encourage historically underrepresented minorities and women in selected subject areas to enter and remain in the teaching profession and to promote employment in school districts with shortages of certified teachers.

Empire State Challenger Scholarships and Fellowships for Teachers. Increase the number and size of Empire State Challenger Scholarships to improve the supply of teachers.

Nursing Scholarships. Establish Nursing Scholarships, with stipends to replace foregone earnings, to help licensed practical nurses obtain associate degrees in nursing, with priority given to licensed practical nurses who are members of underrepresented minority groups or who are financially disadvantaged.

Individual Vocational Training Grants. Provide Individual Vocational Training Grants, replacing the TAP Awards currently available only to students in a limited number of registered business school programs, to students enrolled in noncredit vocational training programs in fields with demonstrated labor needs.

Recommendations

State-funded student financial assistance programs work in conjunction with federal, institutional, and private programs. As a result, the success of State programs depends, in large part, on the effective operation of other programs. To promote effective programs from all sources, the Regents offer the following recommendations:

Financial Aid Awareness Programs. The Regents encourage the continued development of programs to inform the public about the availability of student financial aid from all sources.

Aid Application Process. The Regents support the "common form" and other approaches that improve the process of applying for aid from State, federal and institutional sources.

Federal Need Analysis and Aid Delivery System. The Regents encourage evaluation of the impact of the need analysis formulas that determine students' eligibility for federal aid programs and of changes to the federal aid delivery system.

State Delivery System. The Regents support improved systems for processing loans and grants, especially since the Liberty Scholarship program will require a more complex application process than any existing State program.

Default Reduction. The Regents support reforms that would reduce loan defaults without denying access to appropriate educational programs and without unduly burdening postsecondary institutions.

Consumer Protection. The Regents recommend reforms to protect student borrowers, and others, from financial hardships caused by sudden school closings and to promote counseling to individuals considering postsecondary vocational education.

Reauthorization of the Federal Higher Education Act in 1991. The Regents encourage State officials and policymakers to participate actively in the reauthorization process for the federal Title IV programs that provide an estimated $1.5 billion to New York's postsecondary students.

PART 1

INTRODUCTION

This report describes the status of State and federal financial assistance available to students enrolled in postsecondary institutions located in New York State during the past two academic years, 1987-88 and 1988-89. It is based on the most recent and reliable information available, some of which is, unfortunately, fragmentary.

This introduction contains a brief overview of State and federal student assistance programs and highlights recent developments in those programs. The next four sections of the report describe major programs in terms of their dollar volume, the size and characteristics of the student populations they serve, and the institutional sectors they serve: Part 2 provides a summary of all State and federal programs; Part 3 focuses on the State's Tuition Assistance Program; Part 4 examines the federal Pell Grant Program; and Part 5 analyzes the federal loan programs. Appendix A shows definitions and sources of data used in this report, Appendix B contains an annotated bibliography of recent references on the topic of student financial assistance in New York, and Appendix C contains tables displaying important features of the major aid programs in the State.

The mix of student assistance programs in New York

New York had a vast array of student financial assistance programs in 1988-89 to support students enrolled at its public, independent non-profit, and private for-profit postsecondary institutions. Among them were over 30 State-funded and State-administered programs, the largest being the Tuition Assistance Program (TAP); nearly a dozen federally-supported but State-administered programs, dominated by the guaranteed loan programs for students and their parents; and numerous federally-funded and federally-administered programs, such as the U.S. Department of Education's Pell Grant program and campus-based programs (SEOG, College Work-Study, and Perkins Loans) and various programs administered by the Veterans Administration, the armed services, and other federal agencies. These State and federal programs were supplemented by hundreds of institutionally funded programs, including those offered by the State University and City University, and countless other programs funded by public and private sources.

Table 1 provides a quick summary of the major student assistance programs that will be available in 1990-91. More detailed descriptions of the programs can be found in the publications listed in Appendix B of this report.

Responsibility for administering State student financial assistance programs in New York is divided among several State agencies. The Higher Education Services Corporation (HESC) administers the bulk of the State grant, scholarship, award and fellowship programs and is the State's primary, but not exclusive, guaranty agency for the federal loan

programs. The State Education Department has exclusive administrative responsibility for several State programs but shares responsibility with HESC for many others. A few other State programs are administered by such agencies as the State's Health Department, Labor Department, and Department of Social Services.

Recent developments in State and federal programs in New York State

Improving aid application and aid delivery systems was a goal of both the U.S. Department of Education and the Higher Education Services Corporation during the 1988-89 academic year. The U.S. Department of Education made progress toward standardizing and centralizing application and delivery systems for all its programs. The Higher Education Services Corporation successfully implemented a "common form" approach to reduce the application burden for applicants for both State and federal programs. Further improvements to processing systems can be expected at both the State and federal levels.

Reducing loan defaults was the big news, however, because of an estimated $1.8 billion per year in federal default costs. After considering public comments, the U.S. Department of Education issued new loan default regulations that shifted the burden of proof for poor loan program management from the Department to participating institutions and required institutions with vocational programs to collect and disseminate consumer information. The default regulations imposed a series of sanctions for institutions whose default rates exceeded established thresholds, culminating with loss of eligibility to participate. Although federally calculated default rates have been subject to criticism because of inaccuracies and inadequate data, the regulations are in effect.

The loan default issue was complicated in New York when the Higher Education Assistance Foundation (HEAF), a private, non-profit guaranty agency headquartered in Minnesota, significantly curtailed its loan activity at for-profit vocational schools located in the State. Borrowers from the schools formerly served by HEAF went to HESC instead, increasing HESC's volume of loans with higher risk of default and higher servicing costs. As a result, HESC increased the insurance premium charged to all its borrowers from $5.00 to $17.50 per $1,000 borrowed, on top of the federal loan origination fee of $50.00 per $1,000 borrowed.

There were other changes in the State's student aid programs. Interagency development of Liberty Scholarship award procedures began, in preparation for a 1991-92 award year. Several aid programs, including the Supplemental Higher Education Loan Financing (SHELF) program, the Tuition Stabilization Program (TSP) and Lehman Fellowships, were phased out. Federally sponsored State programs for dislocated workers were recast in the State's Worker Adjustment Act. Lastly, a federal judge's determination that the State could not award scholarships solely on the basis of commercial standardized test scores settled a longstanding debate about the selection of scholarship recipients.

Table 1.

Guide to
New York State and Federal Student Assistance Programs
in 1990-91

PROGRAMS (in alphabetical order)	Major funding source	Aid type	Student levels	NYS residents only?	Major eligibility criteria	1990-91 award maximum
Aid for Part-time Study (APTS)	NY	GRANT	U	Y	N	NEED
Bureau of Indian Affairs Aid to Native Americans (BIA)	US	GRANT	U	N	N,P	NEED
Christa McAuliffe Fellowships	US	GRANT	G	Y	F	-
City University Financial Assistance ... for Graduate Students	NY	-	G	Y	N,A	NEED
City University Part-time Tuition Waivers	NY	GRANT	U	Y	N	NEED
City University Supplemental Tuition Assistance (CUSTA)	NY	GRANT	U	Y	N	$200
College Discovery (CD) Program	NY	GRANT	U	Y	N,P	NEED
College Work Study Program (CWS)	US	OTHER	U,G	N	N	NEED
Collegiate Science and Technology Entry Program (CSTEP)	NY	GRANT	U,G	Y	N,P	NEED
Comprehensive Employment Program (CEP/JOBS)	US	GRANT	U	Y	N,P	-
Educational Opportunity Program (EOP)	NY	GRANT	U	Y	N,P	NEED
Empire State Scholarships of Excellence	NY	GRANT	U	Y	A	$2,000
Health Education Assistance Loans (HEAL)	US	LOAN	G	N	N,F	$20,000
Health Professions Student Loans (HPSL)	US	LOAN	U,G	N	N,F	$2,500
Higher Education Opportunity Program (HEOP)	NY	GRANT	U	Y	N,P	NEED
Jacob K. Javits Fellowships	US	GRANT	G	N	A,F	$16,000
Mayor's Scholarship Program of the City of New York	US	GRANT	U	Y	N	$650
Parent Loans for Students (PLUS)	US	LOAN	U,G	N		$4,000
Patricia Roberts Harris Fellowships	US	GRANT	G	N	A,F,P	$10,000
Paul Douglas Teacher Scholarships	US	OTHER	U	Y	A,F	$5,000
Pell Grants	US	GRANT	U	N	N	$2,400
Perkins Loans	US	LOAN	U,G	N	N	$4,500
Regents Awards, Children of Deceased or Disabled Veterans	NY	GRANT	U	Y	P	$450
Regents Awards, Children of Deceased Police Officers...	NY	GRANT	U	Y	P	$450
Regents Awards, Children of Deceased Corrections Officers...	NY	GRANT	U	Y	P	SUNY BSC
Regents College Scholarships	NY	GRANT	U	Y	A	$250
Regents ... Challenger Scholarships and Fellowships for Teachers	NY	OTHER	U,G	Y	A,F	$4,000
Regents Health Care Opportunity Scholarships	NY	GRANT	G	Y	N,F,P	$10,000
Regents Physician Loan Forgiveness Program	NY	OTHER	P	Y	F	$10,000
Regents Professional Education in Nursing Scholarships	NY	GRANT	U	Y	A,F	$250
Regents Professional Opportunity Scholarships	NY	GRANT	U,G	Y	N,F,P	$5,000
Regents Scholarships in Cornell University	NY	GRANT	U	Y	A	$1,000
Reserve Officer Training Corps (ROTC)	US	OTHER	U,G	N	A	-
Robert C. Byrd Honors Scholarships	US	GRANT	U	Y	A	$1,500
Robert T. Stafford Student Loans	US	LOAN	U,G	N	N	$7,500

continued...

Table 1, completed.

PROGRAMS (in alphabetical order)	Major funding source	Aid type	Student levels	NYS residents only?	Major eligibility criteria	1990-91 award maximum
Search for Elevation, Education and Knowledge (SEEK) Program	NY	GRANT	U	Y	N,P	NEED
State Health Service Corps Scholarships	NY	OTHER	U	N	A,F	$15,000
State University Supplemental Tuition Assistance (SUSTA)	NY	GRANT	U	Y	N	$200
SUNY Empire State Honors Scholarships for African, Hispanic and	NY	GRANT	U	Y	A,P	$6,000
SUNY Financial Assistance ... for Graduate and Professional Stud	NY	-	G	N	A,P	-
Student Aid to Native American Indians	NY	GRANT	U	Y	P	$1,350
Supplemental Education Opportunity Grants (SEOG)	US	GRANT	U	N	N	$4,000
Supplemental Loans for Students (SLS)	US	LOAN	U,G	N	N	$4,000
Supplemental Tuition Assistance Program (STAP)	NY	GRANT	U	Y	N,P	$4,125
Transit Corps of Engineers Program	NY	OTHER	U,G	N	F	TUITION
Tuition Assistance Program (TAP)	NY	GRANT	U,G	Y	N	$4,125
Veterans Administration Educational Benefits (VA)	US	OTHER	U,G	N	P	-
Vietnam Veterans Tuition Awards (VVTA)	NY	GRANT	U	Y	P	$2,000
Vocational Rehabilitation Grants	US	GRANT	U	Y	N,P	NEED
Worker Adjustment Act Individual Tuition Assistance Program	US	GRANT	U	Y	P	-

-- KEY TO TABLE --

AID TYPE
GRANT = GRANT/SCHOLARSHIP/FELLOWSHIP/WAIVER.
LOAN = REPAYABLE LOAN.
OTHER = WORK STUDY/LOAN FORGIVENESS/SERVICE OBLIGATION.

STUDENT LEVEL
U = UNDERGRADUATE.
G = GRADUATE OR FIRST-PROFESSIONAL.
P = POST-DOCTORAL.

AWARD MAXIMUM
NEED = FINANCIAL NEED DETERMINED BY FORMAL NEED ANALYSIS.
SUNY BSC = SUNY STATE-OPERATED CAMPUSES' TUITION, REQUIRED FEES, ROOM AND BOARD.

NYS RESIDENCY ELIGIBILITY
Y = YES. N = NO.
N = FINANCIAL NEED.
A = ACADEMIC MERIT.
F = FIELD OF STUDY.
P = SPECIAL POPULATIONS: E.G., VETERANS, DISLOCATED WORKERS, EDUCATIONALLY DISADVANTAGED, UNDERREPRESENTED MINORITIES.

PART 2

SUMMARY OF STATE AND FEDERAL STUDENT FINANCIAL ASSISTANCE PROGRAMS

In 1988-89, students enrolled in New York's public, independent non-profit, and private for-profit postsecondary institutions received an estimated $2 billion in aid from programs sponsored by the State and federal governments, a decline of nearly 5 percent from the previous academic year. Table 2 summarizes the actual and estimated funds available to New York's students in 1987-88 and 1988-89 and classifies them as either State, federal, or leveraged by federal programs. Leveraged funds are non-federal funds made available to students because of federally supported programs. They include funds for guaranteed loans and non-federal contributions to the federal campus-based programs.

The estimates in Table 2 show that State funds remained stable between 1987-88 and 1988-89 while federal funds increased and leveraged funds declined. The guaranteed loan programs accounted for the greatest decline in funds, being 48 percent of all State and federal aid in New York in 1988-89, down from 54 percent in 1987-88. Most of the loan decline can be attributed to school closures and HEAF's reduced activity in the for-profit vocational schools in the State although precise information is not available.

Table 3 provides a more detailed accounting of State, federal, and leveraged funds to students in 1987-88 and 1988-89. It shows funds available for every program for which statewide data could readily be obtained in the fall of 1989.

Table 4 provides a more detailed look at State sponsored programs, showing that the Tuition Assistance Program accounts for over three of every four State dollars spent on student aid. Among the other State programs, those providing more than 1 percent of all State student assistance funds included: Regents College Scholarships; Aid for Part-Time Study Awards; fellowships at SUNY and CUNY; undergraduate Opportunity Program grants; College Work-Study Reimbursement to institutions; and tuition reimbursement at SUNY and CUNY.

Tables 2 through 4 should be interpreted with great caution. The data were assembled from many sources of varying reliability. The 1988-89 data are only estimates because final data were not available as of October 1989. Although major federal programs are counted, federal funds are slightly underestimated because statewide data could not be obtained for federal programs that serve special populations or special purposes. Although data are displayed for academic years, the time periods represented by the data are not necessarily comparable because multiple sources were used. The data for guaranteed loan programs are particularly tentative because they come from three different sources, each of which reports for a different time period, as noted in the footnotes to Table 3.

Table 2.

Summary Estimate of Funds
from State and Federal Student Assistance Programs
at New York State Institutions

(in millions of dollars)

	Actual 1987-88		Estimated 1988-89	
	Funds	% of total	Funds	% of total
TOTAL FUNDS	$2,146	100%	$2,043	100%
BY SOURCES	$2,146	100%	$2,043	100%
State funds	$453	21%	$453	22%
Federal funds	$474	22%	$537	26%
Leveraged by federal programs	$1,219	57%	$1,053	52%
BY MAJOR PROGRAMS	$2,146	100%	$2,043	100%
TAP (State and federal funds)	$369	17%	$360	18%
Pell	$376	18%	$439	21%
Federal guaranteed loans	$1,154	54%	$987	48%
College Work-Study (all sources)	$57	3%	$56	3%
Perkins Loans (all sources)	$76	4%	$72	4%
All others	$114	5%	$129	6%

NOTES:
Parts may not sum to total because of rounding.
Federal funds are underestimated because programs administered by federal agencies other than the US Department of Education were excluded.
Funds leveraged by federal programs include loans made by private lenders in the guaranteed loan programs, funds from institutions used to meet matching fund requirements in the campus-based programs, and funds from repaid loans in the Perkins program.

SOURCE: Table 3.

Table 3.

Detailed Estimates of Funds
from State and Federal Student Assistance Programs
at New York State Institutions
in 1987-88 and 1988-89

(in thousands of dollars)

	Actual 1987-88	Estimated 1988-89	Estimated Change (-)	Estimated Percent change
TOTAL FUNDS FROM STATE AND FEDERAL PROGRAMS /1/	$2,145,931	$2,042,759	($103,173)	-4.8%
STATE FUNDS	$453,047	$452,700	($347)	-0.1%
GRANTS				
TAP and STAP (SSIG funds excluded)	$362,992	$353,842	($9,150)	-2.5%
* SUSTA and CUSTA	$2,900	$2,900	$0	0.0%
SCHOLARSHIPS				
Regents College	$12,862	$12,770	($92)	-0.7%
Excellence	$1,655	$2,474	$819	49.5%
Challenger Teaching	$1,044	$1,141	$97	9.3%
Nursing	$373	$315	($58)	-15.5%
Health Service Corps	$2,618	$3,157	$539	20.6%
Loan Forgiveness	$754	$1,037	$283	37.5%
Health Care Opportunity	$1,368	$1,649	$281	20.5%
Professional Opportunity	$356	$1,009	$653	183.4%
* SUNY	$0	$300	$300	--
AWARDS				
Aid for Part-time Study	$5,647	$5,974	$327	5.8%
Vietnam Veterans Tuition	$669	$649	($20)	-3.0%
Child of Veteran	$282	$261	($21)	-7.4%
Child of Police, Corrections Officer, Firefighter	$31	$31	$0	0.0%
FELLOWSHIPS				
Lehman	$305	$318	$13	4.3%
Challenger Teaching	$1,230	$1,580	$350	28.5%
* At SUNY and CUNY	$2,700	$5,100	$2,400	88.9%
OTHER AID ADMINISTERED BY HESC				
Unclassified, phased out programs	$145	$41	($104)	-71.7%
OTHER PROGRAMS				
Native American Grants	$375	$375	$0	0.0%
Opportunity Program Grants	$28,100	$30,910	$2,810	10.0%
* College Work-Study Reimbursement	$8,641	$8,567	($74)	-0.9%
* Tuition Reimbursement at SUNY and CUNY	$18,000	$18,300	$300	1.7%

continued...

Table 3, completed.

	Actual 1987-88	Estimated 1988-89	Estimated Change (-)	Estimated Percent change
FEDERAL FUNDS /1/	$473,677	$537,035	$63,358	13.4%
GRANTS				
SSIG (used for TAP and STAP)	$6,447	$6,177	($270)	-4.2%
Pell Grants	$375,872	$439,061	$63,189	16.8%
SEOG	$31,011	$31,011	$0	0.0%
SCHOLARSHIPS				
Robert C. Byrd Honors	$512	$512	$0	0.0%
Paul Douglas Teacher	$1,127	$1,566	$439	39.0%
WAGES AND UNGUARANTEED LOANS				
College-Work Study (federal share)	$40,793	$40,793	$0	0.0%
Perkins Loans (federal capital contribution)	$17,915	$17,915	$0	0.0%
OTHER FUNDS LEVERAGED BY FEDERAL PROGRAMS	$1,219,207	$1,053,024	($166,184)	-13.6%
BALANCE OF CAMPUS-BASED PROGRAMS				
College Work-Study	$7,613	$7,687	$74	1.0%
Perkins Loans	$57,963	$57,963	$0	0.0%
LOANS ADMINISTERED BY HESC FOR IN-STATE STUDENTS /2/				
* Stafford and health student loans	$607,159	$647,244	$40,084	6.6%
* Supplementary Loans for Students (SLS)	$86,714	$176,409	$89,695	103.4%
* Parent Loans (PLUS)	$18,821	$30,906	$12,085	64.2%
LOANS ADMINISTERED BY OTHER AGENCIES FOR IN-STATE STUDENTS				
At NYS degree-granting institutions	$66,000	$66,000	$0	0.0%
** Higher Education Assistance Foundation (HEAF)	$374,937	$66,815	($308,122)	-82.2%

NOTES:
Figures refer to academic years (7/1-6/30) unless asterisk appears. One asterisk (*) indicates state fiscal year periods (4/1-3/31). Two asterisks (**) indicate federal fiscal year periods (10/1-9/30).
Most figures refer to aid received by students enrolled at NYS institutions, regardless of their state of residence.
Health Service Corps Scholarships can be used at out-of-state institutions, however.
Non-HESC loans at NYS degree-granting institutions are reported by institutions and may double count a small portion of HEAF loans.

/1/ Total funds are underestimated because not all federal programs are included.
Most notably absent are the federal programs administered by the Veterans Administration and the armed forces.
/2/ For NYS residents attending out-of-state schools, HESC administered an estimated $150 million in loans in 1987-88 and 1988-89. Consolidation loans are not counted.

SOURCES listed in Appendix A.

Table 4.

Estimated Funds from New York State
Student Assistance Programs
in 1987-88 and 1988-89

(in thousands of dollars)

	Actual 1987-88		Estimated 1988-89	
	Funds	% of total	Funds	% of total
STATE PROGRAMS	$459,494	100%	$458,877	100%
TAP and STAP (SSIG funds included)	$369,439	80.4%	$360,019	78.5%
All others	$90,055	19.6%	$98,858	21.5%
STATE PROGRAMS EXCEPT TAP AND STAP	$90,055	19.6%	$98,858	21.5%
GRANTS				
* SUSTA and CUSTA	$2,900	0.6%	$2,900	0.6%
SCHOLARSHIPS				
Regents College	$12,862	2.8%	$12,770	2.8%
Excellence	$1,655	0.4%	$2,474	0.5%
Challenger Teaching	$1,044	0.2%	$1,141	0.2%
Nursing	$373	0.1%	$315	0.1%
Health Service Corps	$2,618	0.6%	$3,157	0.7%
Loan Forgiveness	$754	0.2%	$1,037	0.2%
Health Care Opportunity	$1,368	0.3%	$1,649	0.4%
Professional Opportunity	$356	0.1%	$1,009	0.2%
* SUNY	$0	--	$300	0.1%
AWARDS				
Aid for Part-time Study	$5,647	1.2%	$5,974	1.3%
Vietnam Veterans Tuition	$669	0.1%	$649	0.1%
Child of Veteran	$282	0.1%	$261	0.1%
Child of Police, Corrections Officer, Firefighter	$31	--	$31	--
FELLOWSHIPS				
Lehman	$305	0.1%	$318	0.1%
Challenger Teaching	$1,230	0.3%	$1,580	0.3%
* At SUNY and CUNY	$2,700	0.6%	$5,100	1.1%
OTHER AID ADMINISTERED BY HESC				
Unclassified, phased out programs	$145	0.0%	$41	--
OTHER PROGRAMS				
Native American Grants	$375	0.1%	$375	0.1%
Opportunity Program Grants	$28,100	6.1%	$30,910	6.7%
* College Work-Study Reimbursement	$8,641	1.9%	$8,567	1.9%
* Tuition Reimbursement at SUNY and CUNY	$18,000	3.9%	$18,300	4.0%

NOTES:
-- indicates less than .01 percent.
Figures refer to academic years (7/1-6/30) unless asterisk appears. One asterisk (*) indicates state fiscal year periods (4/1-3/31).
Most figures refer to aid recieved by students enrolled at NYS institutions, regardless of their state of residence but Health Service Corps Scholarships can be used out-of-state.

SOURCE: Table 3.

PART 3

TUITION ASSISTANCE PROGRAM

In 1988-89, the Tuition Assistance Program (TAP) and its companion, the Supplemental Tuition Assistance Program (STAP), accounted for an estimated $354 million of State funds, supplemented by an additional $6 million in federal State Student Incentive Grant (SSIG) funds, for a total of $360 million. Total TAP and STAP spending declined after 1986-87, when it peaked at $398 million. The overwhelming majority of TAP funds goes to undergraduates, with only about $11 million for post-baccalaureate recipients.

Program expenditure trends

Table 5 shows program expenditure trends between 1984-85 and 1988-89 for both undergraduate and post-baccalaureate recipients at all the institutional sectors in the State. Undergraduate TAP expenditures declined most dramatically over the five-year period at City University and at non-degree institutions. Program expenditures for post-baccalaureate students increased over the five-year period at SUNY, CUNY, and independent institutions. The post-baccalaureate trend can be attributed to increases in both the maximum award and in the number of recipients.

Program recipient trends

In the five-year period between 1984-85 and 1988-89, the total number of TAP recipients decreased 16 percent statewide, with a 17 decline for undergraduates and an 8 percent increase for post-baccalaureate students. Table 6 shows that the numbers of undergraduate TAP and STAP recipients declined more rapidly than program expenditures, suggesting an upward trend in average awards. City University and non-degree institutions experienced the greatest loss of recipients.

Utilization rates

To be eligible for TAP or STAP, applicants must meet income criteria and be New York State residents enrolled in approved programs on a full-time basis. Changes in enrollment patterns may cause changes in the size of the pool of students eligible to receive TAP.

Table 7 shows four sets of columns of data to compare degree-granting institutions in 1987-88 and 1988-89. The first set of columns shows total full-time enrollment; the second shows full-time in-state resident enrollment; and the third shows TAP and STAP recipient counts. The fourth set of columns shows utilization rates, computed from the other columns, for the eligible pool of students. Although the enrollment data and TAP recipient data do not reflect exactly comparable time periods, they can be used to compute utilization rates.

Statewide, a smaller portion of all in-state, full-time students received TAP or STAP in 1988-89 than in 1987-88. Utilization rates for undergraduates declined in every sector except at degree-granting for-profit schools, with an overall undergraduate decline from 52 percent to 50 percent. Utilization rates for post-baccalaureate students increased in every sector.

Full-year TAP and STAP recipients

Part-year TAP or STAP recipients could account for the declines in both annualized average recipients (full-year equivalent recipients) and program expenditures. With the numbers of all undergraduate TAP recipients and the numbers of full-year equivalent undergraduate TAP recipients both known, and with the assumption that a part-year TAP recipient is equal to 1/2 of a full-year TAP recipient, the numbers of full-year TAP recipients can be derived algebraically.

Table 8 shows the percentages of all TAP recipients who received full-year awards in 1986-87 and 1987-88. Statewide, nearly 75 percent of all TAP recipients received a full-year award, with the highest rate of full-year awards at independent colleges and the lowest rates at non-degree institutions. Data on the entry and exit status of TAP recipients would need to be available to determine the causes of part-year awards.

Income distribution of TAP recipients

Within the eligible enrollment pool, TAP and STAP awards are made on the basis of New York State net taxable balance, which is defined as net taxable income adjusted by the number of dependents enrolled full-time in postsecondary education in any state. Table 9 shows the income distribution of TAP recipients in the fall of 1988 by level of study and New York State dependency status. Independent recipients, defined as those who were self-supporting, single and without dependents, were concentrated at the lowest end of the income scale. Over 90 percent of all independent recipients had incomes below $5,000. Dependent recipients, including self-supporting recipients who were married or who had dependents, had a more diverse income profile. Although the income distributions are truncated at income eligibility ceilings, the distribution of dependent undergraduate recipients suggests that raising the income ceiling will add recipients. Higher income ceilings are legislated for 1989-90 and 1990-91.

Table 5.

Tuition Assistance Program Expenditures, 1984-85 to 1988-89

	1984-85	1985-86	1986-87	1987-88	Estimated 1988-89	Estimated 5-year % change
ANNUAL PROGRAM EXPENDITURES (IN THOUSANDS OF DOLLARS)						
GRAND TOTAL, ALL LEVELS	$381,657	$359,568	$398,360	$369,439	$360,019	-6%
UNDERGRADUATE, TOTAL	$377,155	$355,458	$387,656	$358,934	$348,858	-8%
City University, Total	$60,422	$56,685	$55,561	$51,477	$49,415	-18%
Senior Colleges	$34,591	$32,025	$31,541	$29,822	$28,889	-16%
Community Colleges	$25,831	$24,660	$24,020	$21,655	$20,526	-21%
State University, Total	$81,042	$75,910	$83,064	$81,145	$79,524	-2%
State Operated	$49,849	$45,571	$49,312	$47,335	$45,694	-8%
Community Colleges	$31,193	$30,339	$33,752	$33,810	$33,830	8%
Independent colleges	$164,966	$154,780	$171,196	$158,997	$150,737	-9%
Other degree-granting institutions	$30,173	$28,957	$38,560	$36,528	$36,529	21%
All other institutions	$40,552	$39,126	$39,275	$30,787	$32,653	-19%
POST-BACCALUAREATE, TOTAL	$4,502	$4,110	$10,704	$10,505	$11,161	148%
City University	$410	$362	$912	$831	$900	120%
State University	$1,584	$1,513	$3,855	$3,886	$3,971	151%
Independent colleges	$2,508	$2,235	$5,937	$5,788	$6,290	151%

NOTE:
Tuition Assistance Program includes both TAP and STAP.

SOURCE: NYS Higher Education Services Corporation, as of 8/89.

Table 6.

Tuition Assistance Program Recipients, 1984-85 to 1988-89

	1984-85	1985-86	1986-87	1987-88	Estimated 1988-89	Estimated 5-year % change
AVERAGE ANNUAL RECIPIENTS						
GRAND TOTAL, ALL LEVELS	307,754	289,835	286,499	268,835	259,846	-16%
UNDERGRADUATE, TOTAL	296,050	279,089	274,641	257,230	247,187	-17%
City University, Total	64,292	61,158	57,172	53,455	51,266	-20%
Senior Colleges	37,908	35,640	33,413	31,781	30,681	-19%
Community Colleges	26,384	25,518	23,759	21,674	20,585	-22%
State University, Total	101,595	94,245	93,980	90,853	88,885	-13%
State Operated	58,987	54,440	55,021	53,133	51,910	-12%
Community Colleges	42,608	39,805	38,959	37,720	36,975	-13%
Independent colleges	87,832	83,236	83,626	78,394	74,195	-16%
Other degree-granting institutions	17,240	16,652	16,590	15,732	15,695	-9%
All other institutions	25,091	23,798	23,273	18,796	17,146	-32%
POST-BACCALAUREATE, TOTAL	11,704	10,746	11,858	11,605	12,659	8%
City University	1,025	922	1,040	943	1,158	13%
State University	4,021	3,924	4,194	4,260	4,402	9%
Independent colleges	6,658	5,900	6,624	6,402	7,099	7%

NOTES:
Average annual recipients are full-year equivalent recipients as computed by HESC.
Tuition Assistance Program includes both TAP and STAP.

SOURCE: NYS Higher Education Services Corporation, as of 8/89.

Table 7.

TAP Utilization Rates
at Degree-granting Institutions

	Fall full-time enrollment		NYS resident fall full-time enrollment		Academic year FYE TAP recipients		UTILIZATION RATES: FYE TAP recipients as percent of full-time NYS resident fall enrollment	
	'87	'88	'87	'88	'87	'88	'87	'88
DEGREE-GRANTING NEW YORK STATE, TOTAL	611,427	619,264	501,163	508,494	250,039	242,700	49.9%	47.7%
UNDERGRADUATE, TOTAL	536,402	543,323	456,183	462,890	238,434	230,041	52.3%	49.7%
City University, Total	92,363	92,989	87,274	87,831	53,455	51,266	61.2%	58.4%
Senior Colleges	60,105	61,126	55,597	56,542	31,781	30,681	57.2%	54.3%
Community Colleges	32,258	31,863	31,677	31,289	21,674	20,585	68.4%	65.8%
State University, Total	207,558	215,257	198,942	206,336	90,853	88,885	45.7%	43.1%
State Operated	127,135	130,151	121,414	124,294	53,133	51,910	43.8%	41.8%
Community Colleges	80,423	85,106	77,528	82,042	37,720	36,975	48.7%	45.1%
Independent colleges	216,289	216,209	151,835	151,779	78,394	74,195	51.6%	48.9%
Other degree-granting institutions	20,192	18,868	18,132	16,943	15,732	15,695	86.8%	92.6%
POST-BACCALAUREATE, TOTAL	75,025	75,941	44,980	45,604	11,605	12,659	25.8%	27.8%
City University	6,184	6,572	4,415	4,692	943	1,158	21.4%	24.7%
State University	16,793	17,215	11,470	11,758	4,260	4,402	37.1%	37.4%
Independent colleges	52,048	52,154	29,095	29,154	6,402	7,099	22.0%	24.3%

NOTES:
TAP includes both TAP and STAP. Enrollment data are for fall only. Recipient data reflect entire academic year. FYE TAP recipients are full-year equivalent TAP recipients as computed by HESC.
Only degree-granting institutions are included in table.
Fall 1988 NYS resident enrollments were estimated by SED using in-state enrollment rates from fall 1987.

SOURCES: HESC and SED's Higher Education Data System. 10/89.

Table 8.

Full-year undergraduate TAP recipients
in 1986-87 and 1987-88

	Number of all TAP recipients /1/		Number of FYE TAP recipients /2/		% of all recipients getting full-year awards /3/	
	1986-87	1987-88	1986-87	1987-88	1986-87	1987-88
UNDERGRADUATE, TOTAL	287,974	274,202	251,368	238,434	74.6%	73.9%
City University, Total	69,374	65,373	57,172	53,455	64.8%	63.5%
Senior Colleges	38,465	36,711	33,413	31,781	73.7%	73.1%
Community Colleges	30,909	28,662	23,759	21,674	53.7%	51.2%
State University, Total	105,674	102,590	93,980	90,853	77.9%	77.1%
State Operated	59,624	57,701	55,021	53,133	84.6%	84.2%
Community Colleges	46,050	44,889	38,959	37,720	69.2%	68.1%
Independent colleges	92,293	86,503	83,626	78,394	81.2%	81.3%
Other degree-granting institutions	20,633	19,736	16,590	15,732	60.8%	59.4%

NOTES AND SOURCES:

TAP includes TAP and STAP. All figures are for academic years.

/1/ Data from HESC to SED's Higher Education Data System as of 12/88.
/2/ Data from HESC as of 8/89. FYE recipients are the same as average annual recipients.
/3/ Rates assume that FYE = (FULL YEAR RECIPIENTS) + (1/2 OF PART YEAR RECIPIENTS) and that ALL RECIPIENTS = (FULL YEAR RECIPIENTS) + (PART YEAR RECIPIENTS).

Table 9.

Income Distribution of TAP Recipients
in the Fall 1988 Semester
by Level of Study and Dependency Status

	Undergraduate		Post-baccalaureate	
	Dependent	Independent	Dependent	Independent
TOTAL RECIPIENTS	201,619	35,709	6,218	5,883
% OF TOTAL BY INCOME CATEGORY	100.0%	100.0%	100.0%	100.0%
$2,000 or less	30.6%	80.5%	28.3%	78.0%
$2,001 - 5,000	8.9%	11.0%	14.5%	19.2%
$5,001 - 11,000	16.8%	8.5%	27.2%	2.8%
$11,001 - 14,000	7.8%	0.0%	11.9%	0.0%
$14,001 - 17,000	7.2%	0.0%	9.9%	0.0%
$17,001 - 20,000	6.6%	0.0%	8.2%	0.0%
$20,001 - 25,000	9.7%	0.0%	0.0%	0.0%
$25,001 or more	12.3%	0.0%	0.0%	0.0%

NOTES:
Dependent recipients include those who were financially dependent on their parents as well as those who were financially independent but married or had dependents.
Independent recipients includes only those who were independent, single and had no dependents.
Income intervals refer to NYS net taxable balance, which is NYS net taxable income adjusted for the number of dependents in a family who are full-time postsecondary students in any state.

SOURCE: HESC, as of 10/89.

PART 4

THE PELL GRANT PROGRAM

In 1987-88, the Pell Grant program provided nearly $376 million in grant aid to over 293,000 students at New York's public, independent non-profit, and private for-profit postsecondary institutions. In comparison to the State's TAP and STAP awards, Pell Grants are not restricted to degree-credit or full-time students but are limited to undergraduates.

Information about New York State activity in the Pell Grant program, obtained from the U.S. Department of Education, should be interpreted with some caution because 1988-89 data are not final and because the Department classifies institutions into public, private non-profit, and private for-profit differently from both the State Education Department and the Higher Education Services Corporation.

Program expenditures

Table 10 shows that Pell Grant program expenditures in New York State were estimated to be nearly $440 million in 1988-89, an increase of almost 17 percent over the previous year. Although final Pell expenditures are usually lower than estimated Pell expenditures, recent changes to need analysis for Pell Grants make it difficult to use past experience as a guide. If the estimates are correct, Pell expenditures increased in every sector in the State.

Program recipients

Table 10 shows that there were an estimated 300,600 Pell Grant recipients in 1988-89, an increase of more than 2 percent over the previous year. If these estimates are correct, the number of Pell recipients in the State increased less rapidly than program expenditures, resulting in higher average awards. The estimated increases in Pell recipients occurred in every sector except private for-profit schools.

Sector shares

Table 11 shows how Pell Grant funds and recipients were distributed among New York's public, independent non-profit, and private for-profit institutions. Within the State, the share of Pell Grant funds going to each type of institution was fairly stable between 1987-88 and 1988-89, with a slight decrease at private for-profit schools which may be attributed to school closings. Shifts in the share of recipients at each type of institution were larger.

The State's share

According to staff at the U.S. Department of Education's Pell Grant Analysis Section, each state's share of all Pell expenditures and all Pell recipients is usually fairly stable. Table 12, showing New York's share of national totals for 1987-88 and 1988-89, reveals that, assuming some margin of error, the State's share was stable at public and private non-profit institutions, with a small decline at private for-profit institutions. School closings in New York in 1988-89 may account for the decline.

Income distribution of Pell Grant recipients

Pell Grant eligibility is determined by a standardized need analysis which takes into account the federally adjusted gross income, nontaxable income, assets, and governmental benefits of students and their families. Nationwide, Pell Grant recipients are at the lower end of the income scale.

Table 13 shows an income distribution of New York's Pell Grant recipients, by dependency status, that was constructed from sample data obtained in the 1987 National Postsecondary Student Aid Study. Although there are small margins of error around the percentages in the sample data, the shape of the distribution probably is reliable. Of the financially dependent Pell Grant recipients at New York institutions in 1986-87, more than 95 percent had parents whose incomes were under $30,000 in 1985. Of the self-supporting Pell Grant recipients, more than 95 percent had incomes below $20,000.

Table 10.

Pell Grant Funds and Recipients

	Actual 1987-88	Estimated 1988-89	Estimated change (-)	Estimated % change
FUNDS (IN THOUSANDS)				
New York State, Total	$375,872	$439,061	$63,189	16.8%
Public	$165,902	$197,366	$31,464	19.0%
Private, non-profit	$103,626	$123,904	$20,278	19.6%
Private, for-profit	$106,344	$117,791	$11,447	10.8%
RECIPIENTS				
New York State, Total	293,657	300,585	6,928	2.4%
Public	130,628	141,289	10,661	8.2%
Private, non-profit	69,973	78,283	8,310	11.9%
Private, for-profit	93,056	81,013	(12,043)	-12.9%

NOTE:
U.S. Department of Education estimates of Pell Grant funds and recipients are usually higher than final figures.

SOURCE: U.S. Department of Education, Office of Student Financial Assistance, as of 9/14/89.

Table 11.

Institutional Shares of
Pell Grant Funds and Recipients in New York State

	Actual 1987-88	Estimated 1988-89	Estimated change
FUNDS			
New York State, Total	100.0%	100.0%	
Public	44.1%	45.0%	0.8%
Private, non-profit	27.6%	28.2%	0.7%
Private, for-profit	28.3%	26.8%	-1.5%
RECIPIENTS			
New York State, Total	100.0%	100.0%	
Public	44.5%	47.0%	2.5%
Private, non-profit	23.8%	26.0%	2.2%
Private, for-profit	31.7%	27.0%	-4.7%

NOTES:
Federal classification of institutions may not correspond exactly to New York State classification.

SOURCE: U.S. Department of Education, Office of Student Financial Assistance, as of 9/14/89.

Table 12.

New York as Percent of National Total
of Pell Grant Funds and Recipients

	Actual 1987-88	Estimated 1988-89	Estimated change
FUNDS			
New York State, Total	10.1%	9.5%	-0.5%
Public	8.3%	7.9%	-0.5%
Private, non-profit	13.8%	13.6%	-0.2%
Private, for-profit	10.7%	10.0%	-0.7%
RECIPIENTS			
New York State, Total	9.8%	9.2%	-0.6%
Public	7.8%	7.5%	-0.3%
Private, non-profit	13.3%	13.1%	-0.2%
Private, for-profit	11.7%	10.3%	-1.4%

NOTES:
Federal classification of institutions may not correspond exactly to New York classification.

SOURCE: U.S. Department of Education, Office of Student Financial Assistance, as of 9/14/89.

Table 13.

Income Distribution of Pell Grant Recipients
Enrolled in the Fall of 1986 in New York State
by Dependency Status

Pell Grant recipients by dependency status	
Percent Dependent	61.7%
Percent Independent	38.3%
Dependent students by income category	**100.0%**
Less than $11,000	41.5%
$11,000-$19,999	39.9%
$20,000-$29,999	16.0%
$30,000-$39,999	2.2%
$40,000-$49,999	0.1%
$50,000 and up	0.2%
Independent students by income category	**100.0%**
Less than $5,000	48.0%
$5,000-$10,999	31.3%
$11,000-$19,999	18.8%
$20,000 and up	1.8%

NOTES:
Details may not add to totals due to rounding.
Dependency status was determined by federal definitions that differ significantly from TAP definitions. Dependent Pell Grant recipients are only those who are financially dependent on parents.
Income categories refer to federally adjusted gross income.

SOURCE: NYSED, Bureau of Postsecondary Research and Information Systems, New York State Supplement of the 1987 National Postsecondary Student Aid Study.

PART 5

THE FEDERALLY GUARANTEED LOAN PROGRAMS

The federally guaranteed loan programs consist of five separate programs: the Stafford Student Loan program, formerly the Guaranteed Student Loan program (GSL); the Supplemental Loans for Students program (SLS); the Parent Loans for Students program (PLUS); and two smaller programs targeted to special populations, Health Education Assistance Loans (HEAL) and Health Professions Student Loans (HPSL).

The loan programs are administered by a unique amalgam of public and private organizations. The U.S. Department of Education works through guaranty agencies, who, in turn, work through private lenders and postsecondary institutions, to provide and service loans. Guaranty agencies can be affiliated with states, like the Higher Education Services Corporation (HESC) in New York, or can be private institutions, like the Higher Education Assistance Foundation (HEAF), which also operates in New York as well as in other states.

Data problems

Since more than one guaranty agency can operate within a state, or at a postsecondary institution, for that matter, and since guaranty agencies must report to the federal government but not necessarily to state governments, it is difficult for states to obtain complete information about loan activity among its institutions, its residents or its lenders. Aware of this problem, the U.S. Department of Education has arranged to generate computerized reports showing loan activity for each guaranty agency cross-tabulated with three state locations: institutions, borrowers' residence and lenders. Unfortunately, these potentially useful reports, scheduled to appear for the first time for federal fiscal year 1988, which ended in October of 1988, have not yet appeared. Even when the reports become available, there are serious concerns about the quality of the data submitted by many guaranty agencies.

It is ironic that recently issued default reduction regulations place significant reporting and loan servicing burdens on postsecondary institutions while the U.S. Department of Education is just now in the process of establishing information systems that would enable it to account for the largest student aid programs in the nation. Members of the postsecondary community are eager to see improvements in loan program management at all levels.

The information in this report about federal loan activity at New York's postsecondary institutions had to be assembled from three separate sources. Although these data are presented for academic year periods, each of the loan data sources had different fiscal

year periods. Unfortunately, there was no way to adjust the data to reflect consistent time periods. Moreover, there may be some overlap between two of the data sources, which would result in double counting of an estimated $3 million. Despite these problems, reasonably good estimates of total loan funds from all guaranty agencies in the State can be made and, with data provided by HESC, more detailed analyses can be performed.

Total loan funds at New York's institutions

Table 14 shows that total borrowing at the State's postsecondary institutions declined between 1987-88 and 1988-89, from $1,154 million to $987 million. HEAF's loan volume dropped precipitously -- from $375 million to $67 million -- when the agency decided to curtail its operations at New York's private for-profit schools. Some of HEAF's business appeared at HESC, increasing its loan volume from $713 million in 1987-88 to $855 million in 1988-89, but, overall, there was a $197 million decline in borrowing between the two years. Loan funds for out-of-state residents attending New York's degree-granting schools was assumed to remain constant at $66 million in both years.

By 1988-89, HESC was servicing 87 percent of the total loan funds at New York's institutions, up from 62 percent in the prior year. In addition, HESC services about $150 million in loans each year for New York State residents attending institutions in other states.

HESC's loan activity at New York's institutions

Despite the additional loan volume that HESC picked up from HEAF, both the amount of funds loaned and the number of loans made declined in the five-year period between State fiscal years 1984-85 and 1988-89, as shown in Table 15. During that period, loan funds declined nearly 3 percent, from $880 million to $855 million, while loans made declined nearly 15 percent, from 375,000 to 321,000.

The overall decline in HESC loan activity was caused primarily by changes in the eligibility criteria for Stafford Student Loans as of academic year 1986-87. Stafford Loan volume declined nationwide at that time. By 1988-89, Stafford/GSL loans accounted for about 76 percent of all loans processed by HESC, down from 92 to 93 percent in the years before 1987-88.

With fewer students eligible to borrow through the Stafford program, borrowing in the other two major loan programs (SLS and PLUS) increased. At HESC, there was a four-fold increase in loan funds from the SLS program in the last five years and a doubling between 1987-88 and 1988-89. HESC's PLUS volume increased by nearly a third in the last five years.

Some of the increase in SLS volume was attributed to students who borrowed from SLS before exhausting their eligibility for Stafford loans, even though Stafford loan terms are much more favorable to borrowers. The advantage of SLS over Stafford was less

paperwork and no test of financial need. To promote the use of SLS as a program of last resort, the U.S. Department of Education issued regulations during 1988-89 that required federal loan applicants to exhaust their eligibility for Pell Grants before using Stafford loans and to exhaust their eligibility for Stafford loans before using SLS. As a result, SLS volume may decline nationwide after 1988-89.

HESC's Stafford loan activity in New York's postsecondary sectors

Table 16 shows five-year trends in sector shares of HESC's GSL/Stafford loan activity in the State. More than half of the Stafford loan funds went to borrowers at independent institutions in 1988-89, with another quarter going to non-degree institutions. SUNY and CUNY, taken together, accounted for about one-fifth of all Stafford Loan funds, with CUNY having less than 3 percent.

Sector shares shifted fairly steadily during the 1984-85 through 1988-89 period, but a dramatic shift occurred between 1987-88 and 1988-89 as non-degree schools' share of HESC's total Stafford loan volume increased from 15 to 25 percent. HEAF's departure from New York probably accounted for this singular event.

HESC's SLS activity in New York's postsecondary sectors

Table 17 shows five-year trends in sector shares of HESC's SLS loan activity in the State. In contrast to GSL/Stafford activity, HESC's SLS activity picked up during the 1984-85 through 1988-89 period, nearly doubling between 1987-88 and 1988-89. The non-degree sector appears to be primarily responsible for this trend, accounting for over 61 percent of all SLS funds and all SLS loans in 1988-89, up from 2 percent in 1984-85 and from 39 percent in 1987-88. SLS funds increased less dramatically in the independent sector. HEAF's departure probably accounts for much of the increase in HESC's SLS activity between 1987-88 and 1988-89.

Income distribution of HESC's Stafford loan borrowers

The New York sample of the 1987 National Postsecondary Student Aid Study indicated that, controlling for dependency status used for federal student assistance programs, student borrowers at New York's institutions in 1986-87 were more uniformly distributed over the income scale than recipients of either TAP awards or Pell Grants. The loan programs were not intended to serve only students from low income families. Rather, they were designed to provide resources to any student demonstrating financial need after personal and family resources and other forms of aid were exhausted.

More recent data on the income of Stafford borrowers come from HESC. Unfortunately, HESC is unable to distinguish between student/spouse income and parental income in its loan files. Consequently, the income distributions shown in Table 18 for undergraduate and post-baccalaureate students mask differences between self-supporting and financially dependent students and should be interpreted with caution. The percentages of students whose reported incomes were over $50,000 are most likely attending independent institutions where high attendance costs make high income applicants eligible to borrow.

Table 14.

Estimated Shares of Loan Funds at New York State Institutions
by Guaranty Agency

	1987-88	1988-89
TOTAL LOAN FUNDS (IN MILLIONS OF DOLLARS)	$1,153.6	$987.4
FUNDS BY GUARANTY AGENCY		
NYS Higher Education Services Corporation (HESC)	$712.7	$854.6
Higher Education Assistance Foundation (HEAF)	$374.9	$66.8
Others	$66.0	$66.0
PERCENT OF TOTAL BY GUARANTY AGENCY		
NYS Higher Education Services Corporation (HESC)	62%	87%
Higher Education Assistance Foundation (HEAF)	32%	7%
Others	6%	7%

NOTES:
Loan funds include all federal guaranteed loan programs: Stafford, HEAL, HPSL, Supplemental Loans to Students (SLS), and Parent Loans (PLUS).
Although loan funds are listed for academic years (7/1-6/30), the actual twelve-month periods vary. HESC funds refer to state fiscal years (4/1-3/31). HEAF loans refer to federal fiscal years (10/1-9/30). Other loans, reported by NYS degree-granting institutions in annual surveys, refer to academic years.
There may be some slight double counting of HEAF funds and funds from other unspecified agencies. The best estimate of overlap is $3 million.

SOURCES: HESC's Research Division, HEAF's Marketing Division and SED's Higher Education Data System, as of 10/89.

Table 15.

Estimated HESC Loan Activity by Loan Program
at New York State Institutions
from 1984-85 to 1988-89

	1984-85	1985-86	1986-87	1987-88	Estimated 1988-89	Estimated 5-year change	Estimated 5-year % change
TOTAL FUNDS (IN MILLIONS)	$879.8	$808.7	$675.8	$711.6	$855.0	($24.8)	-2.8%
GSL/Stafford	$820.1	$750.0	$622.1	$606.4	$647.6	($172.5)	-21.0%
SLS	$36.6	$35.1	$34.8	$86.5	$176.5	$139.9	382.2%
PLUS	$23.1	$23.6	$18.9	$18.7	$30.9	$7.8	33.8%
TOTAL LOANS	375,640	345,386	287,981	277,457	320,665	(54,975)	-14.6%
GSL/Stafford	352,139	322,834	266,879	238,794	248,082	(104,057)	-29.5%
SLS	14,283	13,241	13,702	32,079	62,420	48,137	337.0%
PLUS	9,218	9,311	7,400	6,584	10,163	945	10.3%
PERCENT OF TOTAL FUNDS							
GSL/Stafford	93.2%	92.7%	92.1%	85.2%	75.7%	-17.5%	--
SLS	4.2%	4.3%	5.1%	12.2%	20.6%	16.5%	--
PLUS	2.6%	2.9%	2.8%	2.6%	3.6%	1.0%	--
PERCENT OF TOTAL LOANS							
GSL/Stafford	93.7%	93.5%	92.7%	86.1%	77.4%	-16.4%	--
SLS	3.8%	3.8%	4.8%	11.6%	19.5%	15.7%	--
PLUS	2.5%	2.7%	2.6%	2.4%	3.2%	0.7%	--

NOTES:

All data refer to state fiscal years (4/1-3/31) although they are shown for academic years. Consolidation loans and loans to New York residents at out-of-state institutions are excluded.

SOURCE: HESC. Data for 1984-85 through 1986-87 as of 4/87, data for 1987-88 as of 4/88, and data for 1988-89 as of 10/89.

Table 16.

Estimated HESC Loan Activity in the GSL/Stafford Loan Program
at New York State Institutions
from 1984-85 to 1988-89

	1984-85	1985-86	1986-87	1987-88	Estimated 1988-89	Estimated 5-year change
TOTAL FUNDS (IN MILLIONS)	$820.1	$750.0	$622.1	$606.4	$647.6	($172.5)
PERCENT OF TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	
CUNY	7.7%	8.3%	6.4%	3.8%	2.6%	-5.1%
SUNY	26.8%	27.3%	25.9%	22.1%	17.5%	-9.3%
Independent	47.1%	49.1%	52.1%	58.8%	54.5%	7.4%
All others	18.4%	15.3%	15.6%	15.3%	25.4%	7.0%
TOTAL LOANS	352,139	322,834	266,879	238,794	248,082	(104,057)
PERCENT OF TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	
CUNY	8.5%	9.3%	7.2%	5.1%	3.3%	-5.2%
SUNY	30.7%	31.2%	29.8%	28.4%	23.7%	-7.0%
Independent	42.2%	43.9%	46.9%	50.2%	46.2%	4.0%
All others	18.6%	15.6%	16.1%	16.3%	26.8%	8.2%

NOTES:

All data refer to state fiscal years (4/1-3/31) although they are shown for academic years.
Consolidation loans and health loans are excluded.
HESC's classifications of institutions may not correspond exactly to classifications used by the U.S. Department of Education and NYSED.

SOURCE: HESC. Data for 1984-85 through 1986-87 as of 4/87, data for 1987-88 as of 4/88, and data for 1988-89 as of 10/89. Sector shares are also as of 10/89.

Table 17.

Estimated HESC Loan Activity in the Supplemental Student Loan Program
at New York State Institutions
from 1984-85 to 1988-89

	1984-85	1985-86	1986-87	1987-88	Estimated 1988-89	Estimated 5-year change
TOTAL FUNDS (IN MILLIONS)	$36.6	$35.1	$34.8	$86.5	$176.5	$139.9
PERCENT OF TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	
CUNY	3.5%	4.0%	3.7%	3.7%	1.9%	-1.7%
SUNY	18.3%	17.7%	16.6%	12.3%	7.6%	-10.6%
Independent	76.0%	76.1%	73.6%	45.5%	29.1%	-47.0%
All others	2.2%	2.3%	6.0%	38.5%	61.4%	59.3%
TOTAL LOANS	14,283	13,241	13,702	32,079	62,420	48,137
PERCENT OF TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	
CUNY	4.1%	4.6%	4.2%	4.0%	2.1%	-2.0%
SUNY	20.0%	19.4%	18.9%	16.1%	10.6%	-9.3%
Independent	73.6%	73.6%	70.8%	40.9%	26.5%	-47.1%
All others	2.3%	2.5%	6.1%	39.0%	60.7%	58.4%

NOTES:

All data refer to state fiscal years (4/1-3/31) although they are shown for academic years.
Consolidation loans are excluded.
HESC's classifications of institutions may not correspond exactly to classifications used by US Department of Education and NYSED.

SOURCE: HESC. Data for 1984-85 through 1986-87 as of 4/87, data for 1987-88 as of 4/88, and data for 1988-89 as of 10/89. Sector shares are also as of 10/89.

Table 18.

Income Distribution
of Stafford Student Loan Borrowers in 1988-89
by Level of Study

INCOME CATEGORIES	Undergraduate 100.0%	Post-baccalaureate 100.0%
$10,000 or less	39.9%	50.6%
$10,001 - 20,000	17.6%	19.6%
$20,001 - 30,000	13.7%	12.3%
$30,001 - 40,000	11.2%	6.8%
$40,001 - 50,000	7.9%	4.1%
$50,001 - 60,000	4.8%	2.6%
$60,001 or more	4.9%	4.0%

NOTES:

Borrowing occurred in state fiscal year 1988-89.
Income refers to federal adjusted gross income reported on loan applications. HESC cannot distinguish between parental and student income.

SOURCE: HESC, as of 10/89.

Appendix A.

Data Sources and Definitions
for Table 3.

	Sources and definitions
TOTAL FUNDS FROM STATE AND FEDERAL PROGRAMS	Sum of State, federal and leveraged funds from programs listed below.
STATE FUNDS	Sum of funds from State programs listed below.
GRANTS	
TAP and STAP (SSIG funds excluded)	HESC. TAP and STAP funds reduced by federal SSIG funds.
* SUSTA and CUSTA	NYS Budget.
SCHOLARSHIPS	
Regents College	HESC.
Excellence	HESC.
Challenger Teaching	HESC.
Nursing	HESC.
Health Service Corps	HESC. Includes some out-of-state schools.
Loan Forgiveness	HESC.
Health Care Opportunity	HESC.
Professional Opportunity	HESC.
* SUNY	NYS Budget. Funds for SUNY Empire State Honors Scholarships.
AWARDS	
Aid for Part-time Study	HESC.
Vietnam Veterans Tuition	HESC.
Child of Veteran	HESC.
Child of Police, Corrections Officer, Firefighter	HESC.
FELLOWSHIPS	
Lehman	HESC.
Challenger Teaching	HESC.
* At SUNY and CUNY	NYS Budget. Funds for SUNY & CUNY Graduate Fellowships.
OTHER AID ADMINISTERED BY HESC	
Unclassified, phased out programs	HESC.
OTHER PROGRAMS	
Native American Grants	NYSED, Bureau of Native American Education. 1988-89 estimate made by SED.
Opportunity Program Grants	NYSED, Bureau of Higher Education Opportunity Programs.
* College Work-Study Reimbursement	NYS Budget and NYSED, Coordinator of Institutional Aid. Perkins not separated from CWS reimbursement at CUNY.
* Tuition Reimbursement at SUNY and CUNY	NYS Budget.

continued...

Appendix A, completed.

	Sources and definitions
FEDERAL FUNDS	Sum of funds from federal programs listed below.
GRANTS	
SSIG (used for TAP and STAP)	USED, OSFA, SSIG Section.
Pell Grants	USED, OSFA, Pell Grant Analysis Section.
SEOG	USED, OSFA, Campused-based Programs Analysis Section. 1988-89 estimate made by SED.
SCHOLARSHIPS	
Robert C. Byrd Honors	HESC.
Paul Douglas Teacher	HESC.
WAGES AND UNGUARANTEED LOANS	
College-Work Study (federal share)	USED, OSFA, Campused-based Programs Analysis Section. 1988-89 estimate made by SED.
Perkins Loans (federal capital contribution)	USED, OSFA, Campused-based Programs Analysis Section. 1988-89 estimate made by SED.
OTHER FUNDS LEVERAGED BY FEDERAL PROGRAMS	Sum of leveraged funds from programs listed below.
BALANCE OF CAMPUS-BASED PROGRAMS	
College Work-Study	USED, OSFA, Campused-based Programs Analysis Section. Total funds to students less State and federal shares.
Perkins Loans	USED, OSFA, Campused-based Programs Analysis Section. Total funds to students less federal capital contribution.
LOANS ADMINISTERED BY HESC FOR IN-STATE STUDENTS	
* Stafford and health student loans	HESC.
* Supplementary Loans for Students (SLS)	HESC.
* Parent Loans (PLUS)	HESC.
LOANS ADMINISTERED BY OTHER AGENCIES FOR IN-STATE STUDENTS	
At NYS degree-granting institutions	NYSED, Higher Education Data System survey of degree-granting institutions. 1988-89 estimated by SED.
** Higher Education Assistance Foundation (HEAF)	HEAF, Marketing Office. Unpublished tabulations for NYS institutions, as of 10/89.

NOTES:

Data reflect academic year periods unless asterisks appear. One asterisk (*) indicates state fiscal year periods (4/1-3/31). Two asterisks (**) indicate federal fiscal year periods (10/1-9/30).
All data for 1988-89 are estimates based on information that is not final.
Many federal programs were excluded for lack of data. Most notably, programs administered by the Veterans Administration and the armed services were excluded.
HESC is NYS Higher Education Services Corporation. NYSED and SED are the NYS Education Department.
USED, OSFA is the US Department of Education, Office of Student Financial Assistance.
HEAF is the Higher Education Assistance Foundation, a private, non-profit loan guaranty agency operating in NYS.

Appendix B.

Annotated Bibliography on Student Financial Assistance in New York State

Forthcoming. Undergraduate College Financing in New York State. Albany: New York State Education Department. Based on the New York State sample of the 1987 National Postsecondary Student Aid Study, a comprehensive examination of how the State's undergraduates and their families pay for their education.

Forthcoming. McCord, Thomas J., Rowse, Glenwood L., and Willie-Schiff, Nancy. "Results from the New York State Augmentation of the 1986-87 National Postsecondary Student Aid Study." In Proceedings of the Sixth Annual NASSGP/NCHELP Research Network Conference, Jerry S. Davis, Editor. Brief description of New York State sample's characteristics and preliminary results about how undergraduates pay for their education.

1989, Fall (forthcoming). Higher Education Services Corporation, Annual Report 1988-89. Albany: Higher Education Services Corporation. Highlights of HESC's activity and data tables for HESC's financial assistance and information services programs.

1989, Fall (forthcoming). Standard Current Descriptions of State and Federal Student Financial Assistance Programs. Albany: New York State Education Department, Office of Postsecondary Policy Analysis. Descriptions of major State and federal programs in terms of application procedures, selection of recipients, award schedules and responsibilities of recipients. Annual series.

1989, Spring. Report on College Costs and Student Financial Aid in New York. Albany: New State Education Department. Trends in costs of attendance and student aid for major groups of degree-granting institutions and results of packaging model to assess adequacy of aid for low and middle income families.

1989, Spring. Report on Student Financial Aid at Degree-Granting Postsecondary Institutions in New York State, 1985-86 to 1987-88. Albany: New York State Education Department. Data tables and analyses of three-year trends in student financial assistance at New York's degree-granting colleges and universities -- the only complete accounting of aid from federal, State, institutional and private sources. Annual series.

August 1988. Fiscal Indicators for Postsecondary Education in New York State, 1981-82 through 1985-86. Albany: New York State Education Department. Data tables and analyses of trends in institutional revenues and expenditures, including student aid. Published periodically.

Table C-1.

TAP Program Features, 1980-81 to 1990-91

LEVEL OF STUDY:	Undergraduate				Post-baccalaureate	
RECIPIENT STATUS:	Dependent		Independent		Dependent	Independent
INSTITUTION STATUS:	Degree	Non-degree	Degree	Non-degree	Degree	Degree
1990-91						
MAXIMUM AWARD	$4,125	$2,200	$3,400	$1,800	$1,200	$1,200
MINIMUM AWARD	$350	$350	$350	$350	$100	$100
NTB THRESHOLD	$8,000	$8,000	$3,000	$3,000	$2,000	$1,000
NTB CAP	$50,500	$50,500	$10,000	$10,000	$20,000	$5,666
1989-90						
MAXIMUM AWARD	$3,650	$2,200	$2,800	$1,800	$1,200	$1,200
MINIMUM AWARD	$350	$350	$350	$350	$100	$100
NTB THRESHOLD	$7,500	$7,500	$3,000	$3,000	$2,000	$1,000
NTB CAP	$42,500	$42,500	$10,000	$10,000	$20,000	$5,666
1988-89						
MAXIMUM AWARD	$2,850	$2,200	$2,000	$1,800	$1,200	$1,200
MINIMUM AWARD	$350	$350	$350	$350	$100	$100
NTB THRESHOLD	$7,000	$7,000	$3,000	$3,000	$2,000	$1,000
NTB CAP	$34,250	$34,250	$10,000	$10,000	$20,000	$5,666
1987-88						
MAXIMUM AWARD	$2,850	$2,200	$2,000	$1,800	$1,200	$1,200
MINIMUM AWARD	$350	$350	$350	$350	$100	$100
NTB THRESHOLD	$6,500	$6,500	$3,000	$3,000	$2,000	$1,000
NTB CAP	$32,000	$32,000	$10,000	$10,000	$20,000	$5,666
1986-87						
MAXIMUM AWARD	$2,850	$2,200	$2,000	$1,800	$1,200	$1,200
MINIMUM AWARD	$350	$350	$350	$350	$100	$100
NTB THRESHOLD	$6,500	$6,500	$3,000	$3,000	$2,000	$1,000
NTB CAP	$32,000	$32,000	$10,000	$10,000	$20,000	$5,666
1985-86						
MAXIMUM AWARD	$2,700	$2,200	$1,800	$1,800	$600	$600
MINIMUM AWARD	$300	$300	$200	$200	$100	$100
NTB THRESHOLD	$5,000	$5,000	$1,000	$1,000	$2,000	$1,000
NTB CAP	$29,000	$29,000	$5,666	$5,666	$20,000	$5,666
1984-85						
MAXIMUM AWARD	$2,700	$2,200	$1,800	$1,800	$600	$600
MINIMUM AWARD	$300	$300	$200	$200	$100	$100
NTB THRESHOLD	$5,000	$5,000	$1,000	$1,000	$2,000	$1,000
NTB CAP	$29,000	$29,000	$5,666	$5,666	$20,000	$5,666

continued...

Table C-1, completed.

TAP Program Features, 1980-81 to 1990-91

LEVEL OF STUDY:	Undergraduate				Post-baccalaureate	
RECIPIENT STATUS:	Dependent		Independent		Dependent	Independent
INSTITUTION STATUS:	Degree	Non-degree	Degree	Non-degree	Degree	Degree
1983-84						
MAXIMUM AWARD	$2,200	$2,200	$1,800	$1,800	$600	$600
MINIMUM AWARD	$250	$250	$200	$200	$100	$100
NTB THRESHOLD	$4,000	$4,000	$1,000	$1,000	$2,000	$1,000
NTB CAP	$25,000	$25,000	$5,666	$5,666	$20,000	$5,666
1982-83						
MAXIMUM AWARD	$2,200	$2,200	$1,800	$1,800	$600	$600
MINIMUM AWARD	$250	$250	$200	$200	$100	$100
NTB THRESHOLD	$4,000	$4,000	$1,000	$1,000	$2,000	$1,000
NTB CAP	$25,000	$25,000	$5,666	$5,666	$20,000	$5,666
1981-82						
MAXIMUM AWARD	$1,800	$1,800	$1,800	$1,800	$600	$600
MINIMUM AWARD	$250	$250	$200	$200	$100	$100
NTB THRESHOLD	$2,750	$2,750	$1,000	$1,000	$2,000	$1,000
NTB CAP	$25,000	$25,000	$5,666	$5,666	$20,000	$5,666
1980-1981						
MAXIMUM AWARD	$1,800	$1,800	$1,800	$1,800	$600	$600
MINIMUM AWARD	$200	$200	$200	$200	$100	$100
NTB THRESHOLD	$2,750	$2,750	$1,000	$1,000	$2,000	$1,000
NTB CAP	$20,000	$20,000	$5,666	$5,666	$20,000	$5,666

NOTES:
Recipient status for the purposes of TAP is defined by NYS law. Dependent recipients include those who are financially dependent on parents, or who are married, or who have dependents. Independent recipients are those who are single, have no dependents and are self-supporting.
Institution status for the purposes of TAP distinguishes between institutions with and without authority to confer degrees.
Program features for each academic year apply to first-time recipients.
The maximum award is given to all applicants whose income falls below the NTB threshold.
The minimum award is given to all applicants whose NTB falls below the NTB cap when the award reduction schedule does not result in a higher award.
For applicants whose incomes fall above the threshold but below the cap, the maximum award is reduced by a schedule of marginal reductions.
NTB is NYS net taxable balance, equal to NYS net taxable income reduced for the number of dependents engaged in full-time postsecondary study. The NTB threshold is the value at which the maximum award is subject to reduction. The NTB cap is the value at which TAP eligibility ceases.

SOURCE: Adapted and updated in October 1989, with permission, from The State University of New York Central Administration's Office of Financial Aid Services.

Table C-2.

Pell Grant Program Features, 1973-74 to 1989-90

Academic/ Award Year	Maximum qualifying SEI/SAI	Minimum allowable college cost	Maximum allowable college cost	Grant limit of allowable college cost	Minimum grant	Maximum grant	Payment schedule
1989-90	$2,100	$300	$3,800	60%	$200	$2,300	Full
1988-89	$2,000	$300	$3,799	60%	$200	$2,200	Full
1987-88	$1,900	$300	$3,500	60%	$200	$2,100	Full
1986-87	$1,500	$300	$3,500	60%	$150	$2,100	Reduced
1985-86	$1,900	$300	$3,500	60%	$200	$2,100	Full
1984-85	$1,700	$400	$3,800	50%	$200	$1,900	Full
1983-84	$1,600	$400	$3,600	50%	200	$1,800	Full
1982-83	$1,600	$400	$3,600	50%	$126	$1,674	Reduced
1981-82	$1,550	$400	$3,500	50%	$120	$1,670	Reduced
1980-81	$1,600	$400	$3,600	50%	$150	$1,750	Reduced
1979-80	$1,600	$400	$3,600	50%	$200	$1,800	Full
1978-79	$1,600	$400	$3,200	50%	$176	$1,600	Full
1977-78	$1,200	$400	$2,800	50%	$200	$1,400	Full
1976-77	$1,200	$400	$2,800	50%	$200	$1,400	Full
1975-76	$1,200	$400	$2,800	50%	$200	$1,400	Full
1974-75	$1,200	$1,500	$2,100	50%	$50	$1,050	Reduced
1973-74	$1,149	$1,100	$1,250	50%	$50	$452	Reduced

NOTES:
SEI/SAI are acronyms for "student eligibility index" and "student aid index," both of which represent the student and family contribution determined by Pell Grant need analysis.

SOURCE:
Adapted, with permission, from a publication by Thomas G. Mortenson of the American College Testing Service (ACT) entitled "Pell Grant Program Changes and their Effects on Applicant Eligibility," issued in May 1988.

Table C-3
Current Features of Loan Programs

	PERKINS	STAFFORD (GSL)	SLS	PLUS	HEAL	NURSING STUDENT LOAN	HEALTH PROFESSIONS LOAN PGM
BORROWER COSTS							
TYPE	Fixed	Fixed	Variable	Variable	Variable	Fixed	Fixed
RATE/INDEX	5%	8%	52 week T Bill + 3.25%	52 week T Bill + 3.25%	91 day T Bill +3%	5%	5%
RATE ADJUSTMENT TERM	N/A	N/A	ANNUALLY	ANNUALLY	QUARTERLY	N/A	N/A
CURRENT RATE 8/22/89	5%	8%	12%	12%	11.75%	5%	5%
CAP	N/A	N/A	12%	12%	N/A	N/A	N/A
ANNUAL MIN	N/A	N/A	$500	$500	$500	N/A	N/A
ANNUAL MAX	$4,500 1st 2 YRS $9,000 2nd 2 YRS	$2,625 1st 2 YRS $4,000 2nd 2 YRS	$4,000	$4,000	$20,000	$2,500 1 & 2 YR $4,000 3 & 4 YR	Tuition + $2,500
AGGREGATE MAX	$9,000 Undergrad $18,000 Total	$17,250 Undergrad $54,750 Total	$20,000	$20,000	$80,000	$13,000	None
STUDENT/PARENT BORROWER	S	S	S	P	S	S	S
ORIGINATION FEE	None	5%	None	None	8%	None	None
GUARANTEE/APPLICATION FEE	None	3% MAX	3% MAX	3% MAX	None	None	None
NEED BASED	Y	Y	N	N	Y	Y	<f> Y
CREDIT CRITERIA APPROVAL	N	N	Bank Option	Bank Option	<d>	N	N
CONSOLIDATION AVAIL	Y	Y	Y	Y	N	Y	Y
SCHOOL PARTICIPATION							
FORMAL AGREEMENT REQ	Y	Y	Y	Y	Y	N	Y
PARTICIPATION FEE	N	N	N	N	N	Y	N
REPAYMENT							
MAX REPAY PERIOD	10 YR	10 YR	10 YR	10 YR	25 YR	10 YR	10 YRS
MINIMUM PAYMENT	$30	$50	$50	$50	$50	$15	$15
REPAY BEGINS	9 MONTHS after 1/2 status	6 MONTHS after GRAD	60 DAYS after DISBURSE	60 DAYS after DISBURSE	9 MONTHS after GRAD	9 MONTHS after 1/2 status	9 MONTHS after 1/2 status
INTEREST ONLY PAYMENTS	N	N	Y	Y	N	N	N
PREPAYMENT PENALTY	N	N	N	N	N	N	N

a The Educational Resources Institute (TERI) also sponsors loans under the names Alliance, VALUE, Success, and Universal Educational Loan, among others, which are available at particular schools.

b Average monthly rate as published in the Wall Street Journal + 3.6%.

c Option 1 - 45 days after disbursement.
Option 2 - Deferred Principal Payments - interest paid monthly while in school.

d No negative credit history allowed.

e If principal payments are deferred for in school period, loan cannot be prepaid.

f Parental information required regardless of dependency status.

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	TERI <a>	CONSERN (Sponsored)	CONSERN (Individual)	Family Ed (SALLIEMAE) (Undergrad)	Grad Ed (SALLIEMAE) (Grad only)	Educational Loan Pgm (Manufacturer's Hanover)	EXCEL (NELLIEMAE) (Undergrad)	GRADEXCEL (NELLIEMAE) (Grad only)
BORROWER COSTS								
TYPE	Variable	Variable	Variable	Variable	Variable	Fixed	Variable	Variable
RATE/INDEX	Prime +2%	<b> Commercial Paper Rate	Commercial Paper Rate	91 day T-Bill +3.5%	91 day T-Bill +3.5%	15.95%	M-Prime + 2% A-Prime + 3.4%	M-Prime + 2% A-Prime + 3.4%
RATE ADJUSTMENT TERM	MONTHLY	MONTHLY	MONTHLY	MONTHLY	MONTHLY	N/A	Monthly/Annually	Monthly/Annually
CURRENT RATE 8/22/89	12.5%	12.56%	13.56%	11.7%	11.7%	15.95%	12.5/13.5%	12.5/13.5%
CAP	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
ANNUAL MIN	$2,000	$1,500	$1,500	$3,000	$1,500	$2,000	$2,000	$2,000
ANNUAL MAX	$15,000	$25,000	$15,000	$10,000	$7,500	$10,000	$20,000	Varies
AGGREGATE MAX	$80,000	$100,000	$60,000	$40,000	$15,000	$40,000	$80,000	Varies
STUDENT/PARENT BORROWER	Both	S	Both	P	S	P	Both	S
ORIGINATION FEE	None	3.5%	4%	2%	4%	None	None	None
GUARANTEE/APPLICATION FEE	4%	$45	$55	None	None	None	4%	8%,5% w/coborrower
NEED BASED	N	N	N	N	N	N	N	N
CREDIT CRITERIA APPROVAL	Y	Y	Y	Y	Y	Y	Y	Y
CONSOLIDATION AVAIL	N	N	N	N	N	N	N	N
SCHOOL PARTICIPATION								
FORMAL AGREEMENT REQ	N	Y	N	N	N	N	N	N
PARTICIPATION FEE	N	Variable Fee	N	N	N	N	N	N
REPAYMENT								
MAX REPAY PERIOD	15 YR	15 YR	12 YR	10 YR	15 YR	7 YR	20 YR	20 YR
MINIMUM PAYMENT	$50	N/A	N/A	N/A	N/A	N/A	$50	$50
REPAY BEGINS	<c.> Option 1 Option 2	<c.> Option 1 Option 2	<c.> Option 1 Option 2<e.>	UPON GRADATION	<c.> Option 1 Option 2	30 DAYS after DISBURSEMENT	Option 1 Option 2	Option 1 Option 2
INTEREST ONLY PAYMENTS	Y	Y	Y	N	Y	N	Y	Y
PREPAYMENT PENALTY	N	N	N	N	N	N	N	N

Table C-3, completed.

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